



# Busting Myths About Coverage4All

## Include All New Yorkers in the 1332 Waiver

In 2022, the FY 2023 budget deal resulted in a promise made by Governor Hochul’s Administration to seek federal funding through a 1332 Waiver to expand our Essential Plan program to **all New York State residents, including immigrants who are undocumented.**

In a turnaround, the Administration’s FY 2024 proposed budget **excludes immigrants**, only seeking authority to expand the Essential Plan to higher income levels, from 200% to 250% of the federal poverty level (FPL). This “skinny” Waiver would only expand insurance to 20,000 New Yorkers—out of the 1 million who remain uninsured.

By keeping the Governor’s promise to include immigrants in the federal waiver application, **New York could cover an additional 250,000 people—at NO additional cost to the State or local governments.** All sorts of myths and theories are being floated about why we cannot include immigrants.

Here are the facts.

Myth	Fact
<p>The federal government will not pay for undocumented immigrant coverage, so NY shouldn’t even bother asking.</p>	<p>In 2022, the federal government granted 1332 Waivers to Colorado and Washington states.</p> <ul style="list-style-type: none"><li>• Both states have set up coverage programs for undocumented immigrants with their 1332 “passthrough” accounts.</li><li>• <b>NY faces no risk in asking for its 1332 Waiver</b> to cover immigrants; at worst it’s denied.</li></ul>

## Myth

## Fact

The federal government only approved Colorado and Washington's Waivers because they have fewer beneficiaries and fewer benefits.

Colorado's and Washington's Marketplace plans are locally tailored and are skimpier than New York's.

- The **federal government has already approved NY's Essential Plan benefit package**, there is no evidence that it would change its mind now.
- NY's population is roughly triple that of CO or WA, so they naturally have **fewer enrollees** in their 1332 Waiver programs than we would.

NY cannot spend its Essential Plan Trust Fund \$9 billion surplus on immigrants.

While the already accumulated \$9 billion Trust Fund surplus cannot be used for new enrollees, moving forward, **the newly generated \$2 billion can be used to fund coverage.**

- With the 1332 Waiver authority, NY can use the newly accrued (prospective) surplus money—\$2 billion annually—to fund immigrant coverage.
- That's exactly what Colorado and Washington are doing with their 1332 "passthrough" accounts.

OK, so there's \$2 billion extra annually, but that isn't enough money to cover all the immigrants - the Administration says there are 300,000 immigrants in our existing Emergency Medicaid program, which just goes to 138% of the federal poverty level.

The 300,000 people who are pre-qualified in Emergency Medicaid is an inflated number because no enrollee has been recertified for 3 years due to the Public Health Emergency.

- In 2021, **there were only 128,000 users of the Emergency Medicaid program**, up from 100,000 in 2019.
- Projections should be based on real historical numbers, rather than atypical data from the COVID emergency years.

## Myth

But even if there are only 128,000 Emergency Medicaid users, there are still lots of immigrants with incomes between the Medicaid level (138% of the federal poverty level) and the new 1332 Waiver income level of 250% of the federal poverty level. How can we afford to cover all of them?

What if those numbers are wrong and even larger number of immigrants enroll?

## Fact

The [census](#) indicates that there are only 685,000 foreign born New Yorkers with incomes below 200% of FPL. Most ([77%](#)) are lawfully present and are already eligible for coverage.

- This means **there are only 158,000 undocumented immigrants in our State with incomes below 200% of FPL.**
- Even if 255,000 immigrants enroll in through the Waiver, using the rates set by the NYS Department of Health's actuaries, **it would cost just \$1.2 billion.**
- This \$1.2 billion figure includes \$429 million annual savings from the annual from the Emergency Medicaid.
- It is **better for patients and the public health to offer comprehensive coverage with preventive care and pharmacy** than coverage only for emergency treatment. Providers would get better rates too.

The State can **mitigate its exposure in lots of ways.**

- It could cap the program to a certain number of enrollees (e.g., 255,000)
- It could cap the program at a certain rate of spending (e.g., \$1.5 billion)
- It could cap the program at a certain eligibility level (e.g., 138% of poverty, the current Medicaid level).

## Myth

## Fact

Aren't health coverage caps illegal?

**No.**

- Caps were used in the original Child Health Plus program, and no one ever sued about that.
- Also, the Administration is proposing a cap in its current budget for another Waiver program called the Medicaid program for working people with disabilities.

Are there other strategies NY could adopt to protect its fiscal risk?

**Yes!**

- The State has built in an enormous 30% rate increase for health plans in its Waiver proposal, those premium hikes could be cut back.
- The state could use a lower rate of medical trend for health plan rates.
- The State could competitively procure a single plan to cover immigrants in the 1332 Waiver - the bidders would propose lower premiums than what has been projected because research shows that immigrants are working people with good "health risks."
- The State could claw back some or all the premiums for enrollees who do not use the program during a calendar year.

What happens in 5 years, when there might be a different federal administration?

What if it changes its mind and will not provide federal funding for immigrants?

This is speculative.

Every NY budget has a lifespan of 1 year. If there is a change of federal policy in 5 years, **state lawmakers can modify or adjust the program.**

Myth	Fact
<p>What are the benefits of Coverage4All?</p>	<p>Coverage4All benefits: State and local government's budgets; providers; and patients themselves:</p> <ul style="list-style-type: none"> <li>• The <b>State saves nearly \$500 million</b> from its spending on Emergency Medicaid because that program will no longer be needed. Likewise, <b>NYC will save \$100 million on its NYC Care program.</b></li> <li>• Providers benefit from Coverage4All because <b>providers will be paid Essential Plan rates, which are much higher than the Emergency Medicaid rates.</b> They also will spend less on uncompensated care - roughly \$1,174 per uninsured person.</li> <li>• Patients will be better off because everyone will have access to quality affordable coverage which <b>help patients avoid medical debt and make everyone safer when there are epidemics.</b></li> </ul>

Learn more: [coverage4all.info](https://coverage4all.info)

